



Senate

General Assembly

File No. 461

January Session, 2011

Substitute Senate Bill No. 1168

Senate, April 7, 2011

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING AN ELECTRIC VEHICLE INFRASTRUCTURE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2011*) Not later than July 1, 2012,
2 the State Building Inspector and the Codes and Standards Committee
3 shall revise the State Building Code adopted pursuant to section 29-252
4 of the general statutes to (1) provide for an electric vehicle
5 infrastructure to support any make, model or type of electric vehicle,
6 including a plug-in electric vehicle or an electric vehicle capable of
7 being charged by a forty-ampere, two hundred forty-volt electrical
8 charging circuit, (2) provide for bidirectional charging without
9 significant upgrading, provided electric distribution companies, as
10 defined in section 16-1 of the general statutes, have achieved the
11 capability to draw electricity from electric vehicles connected to the
12 utility grid, and (3) require all new residential and certain commercial
13 construction to have the capacity to support such infrastructure.

14 Sec. 2. (NEW) (*Effective July 1, 2011*) Any hybrid or alternative fuel

15 vehicle may be driven on any state limited access highway lane
16 designated for use by high occupancy vehicles regardless of the
17 number of occupants of such hybrid or alternative fuel vehicle. For
18 purposes of this section, "hybrid or alternative fuel vehicle" means a
19 passenger car that (1) is hydrogen fuel-cell powered, or (2) draws
20 acceleration energy from two onboard sources of stored energy that
21 consists of either an internal combustion or heat engine which uses
22 combustible fuel and a rechargeable energy storage system.

23 Sec. 3. (NEW) (*Effective July 1, 2011*) There is established an account
24 to be known as the "electric vehicle infrastructure support account"
25 which shall be a separate, nonlapsing account within the General
26 Fund. The account shall contain any moneys required by law to be
27 deposited in the account. Moneys in the account shall be expended by
28 the Department of Public Utility Control for the purposes of providing
29 grants to businesses seeking to upgrade infrastructure to support the
30 use of electric and hydrogen fuel cell powered vehicles state-wide.

31 Sec. 4. Subdivision (110) of section 12-412 of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective July*
33 *1, 2011, and applicable to sales on and after July 1, 2011*):

34 (110) (A) On and after January 1, 2008, and prior to July 1, 2010, the
35 sale of any passenger motor vehicle, as defined in section 14-1, that has
36 a United States Environmental Protection Agency estimated city or
37 highway gasoline mileage rating of at least forty miles per gallon.

38 (B) On and after July 1, 2011, and prior to July 1, 2013, the sale of
39 any hydrogen fuel cell or electric passenger motor vehicle, as defined
40 in section 14-1.

41 Sec. 5. Subdivision (16) of section 38a-816 of the general statutes is
42 repealed and the following is substituted in lieu thereof (*Effective July*
43 *1, 2011*):

44 (16) Failure to pay, as part of any claim for a damaged motor vehicle
45 under any automobile insurance policy where the vehicle has been

46 declared to be a constructive total loss, an amount equal to the sum of
 47 (A) the settlement amount on such vehicle plus, whenever the insurer
 48 takes title to such vehicle, (B) if the insured paid sales tax on such
 49 vehicle, an amount determined by multiplying such settlement
 50 amount by a percentage equivalent to the current sales tax rate
 51 established in section 12-408. For purposes of this subdivision,
 52 "constructive total loss" means the cost to repair or salvage damaged
 53 property, or the cost to both repair and salvage such property, equals
 54 or exceeds the total value of the property at the time of the loss.

55 Sec. 6. (NEW) (*Effective from passage*) (a) For the purposes of this
 56 section: (1) "Level III fast charging station" means a facility for charging
 57 electric vehicles with equipment that uses direct current energy from
 58 an off-board charger; and (2) "off-board charger" means a device for
 59 charging an electric vehicle that is not mounted inside such vehicle.

60 (b) The Secretary of the Office of Policy and Management shall
 61 develop a plan to promote the use of electric vehicles in the state and
 62 to facilitate the state-wide installation of Level III fast charging
 63 stations. Such plan shall identify the resources necessary to promote
 64 such state-wide installation. On or before February 1, 2012, the
 65 secretary shall submit such plan, in accordance with the provisions of
 66 section 11-4a of the general statutes, to the joint standing committee of
 67 the General Assembly having cognizance of matters relating to energy
 68 and technology.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	New section
Sec. 2	<i>July 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011</i>	New section
Sec. 4	<i>July 1, 2011, and applicable to sales on and after July 1, 2011</i>	12-412(110)
Sec. 5	<i>July 1, 2011</i>	38a-816(16)
Sec. 6	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In section 1, for accuracy and statutory consistency, "electric distribution companies, as defined in section 16-1 of the general statutes," was substituted for "electrical distribution companies"; in section 3, for statutory consistency, "fuel cell" was substituted for "fuel-cell"; section 4 was rewritten for accuracy and to reflect the committee's intent; and in section 5, for clarity, "if the insured paid sales tax on such vehicle," was inserted after "(B)" and ", provided the insured paid sales tax on such vehicle" was removed.

ET *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Department of Revenue Services	GF - Revenue Loss	At least 250,000- 525,000	At least 250,000- 525,000
Policy & Mgmt., Off.	GF - Cost	At least \$75,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 results in no cost to the Department of Public Safety associated with the revision of the State Building Code to support an electric vehicle infrastructure.

Section 2 allows hybrid and alternative fuel powered vehicles to use High Occupancy Vehicle Lanes (HOV) regardless of the number of passengers in the vehicle and is not anticipated to have a fiscal impact.

Section 3 creates a nonlapsing account within the General Fund known as the "electric vehicle infrastructure support account," which would be used by the Department of Public Utility Control to provide grants to businesses making infrastructure upgrades that support the use of electric and hydrogen fuel-cell powered vehicles. The bill does not specify the funding source for this new account.

Section 4 results in a potential revenue loss by exempting sales tax on hydrogen fuel cell or electric passenger cars sold between July 1, 2011 and July 1, 2013. Assuming 100 to 250 of these types of vehicles are sold during this time, the revenue loss would be approximately \$250,000 to \$525,000.

Section 5 results in a potential minimal revenue loss by requiring insurance companies to pay sales tax on the title of a totaled vehicle only if the owner paid sales tax on this vehicle.¹ The revenue loss is contingent upon; 1) the number of totaled vehicles in which the owner did not pay sales tax, and 2) the value of the car at the time of the accident.

Section 6 requires the Office of Policy and Management (OPM) to develop a plan that promotes the use of electric vehicles and facilitates the statewide installation of fast charging stations by February 1, 2011. This results in FY 12 costs of at least \$75,000 for consultants or temporary staff.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the OPM costs in Section 6, which are one-time in nature.

¹ Motor vehicles which were exempted from sales tax include clean fuel vehicles purchased before 2002, hybrids purchased between 2004 and 2008, and high miles-per-gallon vehicles purchased between 2008 and 2010.

OLR Bill Analysis**SB 1168****AN ACT CONCERNING AN ELECTRIC VEHICLE INFRASTRUCTURE.****SUMMARY:**

This bill makes numerous changes to the statutes regarding the state's electric vehicle infrastructure and alternative-energy-fueled vehicles. It:

1. requires the State Building Code to support electric vehicle use;
2. creates a nonlapsing "electric vehicle support account" within the General Fund;
3. requires the Office of Policy and Management (OPM) to develop a plan to promote electric vehicle use and facilitate installation of Level III fast-charging stations;
4. creates a sales tax exemption for hydrogen fuel cell and electric passenger vehicles sold between July 1, 2011 and July 1, 2013; and
5. opens the high occupancy vehicle (HOV) lane to single-occupant hybrid and hydrogen fuel-cell-powered vehicles.

The bill also limits when an insurance company taking title to a totaled vehicle must pay sales tax on the settlement amount for the vehicle.

EFFECTIVE DATE: July 1, 2011, except the section requiring an OPM report, which is effective upon passage.

§ 1 — STATE BUILDING CODE

The bill requires the State Building Inspector and the Codes and Standards Committee, by July 1, 2012, to revise the State Building Code to (1) provide for an electric vehicle infrastructure that can support any type of electric vehicle, including one that can be charged from a 40 amp, 240 volt electrical charging circuit; (2) easily allow for bidirectional charging of electric vehicles if the electrical utility companies can do so; and (3) require that all new residential and certain commercial construction be able to support this infrastructure. The bill does not specify which commercial projects are subject to the requirement.

§ 3 — INFRASTRUCTURE SUPPORT ACCOUNT

The bill creates a nonlapsing account within the General Fund known as the “electric vehicle infrastructure support account.” The account’s source of funds is to be determined by law. The bill requires the Department of Public Utility Control (DPUC) to provide grants from the account to businesses making infrastructure upgrades that support the use of electric and hydrogen fuel-cell-powered vehicles throughout the state.

§ 6 — OPM CHARGING STATION PLAN

The bill requires OPM, by February 1, 2012, to submit a plan to the Energy Committee that promotes the use of electric vehicles and facilitates the statewide installation of Level III fast-charging stations. It defines these stations as electric vehicle charging facilities that use an external DC charger.

§ 2 — HOV LANE

The bill allows hybrid and hydrogen fuel-cell-powered vehicles to use highway HOV lanes, regardless of the number of passengers in the vehicle. Current law requires vehicles in such lanes to carry at least two people.

Although federal law previously permitted states to allow single-occupant, low-emission and energy efficient vehicles in HOV lanes, the permission expired on September 30, 2009 and has not yet been

renewed. It is unclear how this affects the bill's HOV lane provision.

§ 5 — TOTALED VEHICLE SALES TAX

Under current law, when an insurance company takes title to a totaled vehicle it must pay the vehicle's owner the agreed settlement amount plus any applicable sales tax on the settlement amount. Under the bill, the insurance company must pay the sales tax only if the owner paid a sales tax on the vehicle. An insurer's failure to pay the proper settlement amount is an unfair insurance practice (see BACKGROUND).

BACKGROUND

Connecticut Unfair Insurance Practice Act (CUIPA)

The law prohibits engaging in unfair or deceptive insurance acts or practices. CUIPA authorizes the insurance commissioner to issue regulations, conduct investigations and hearings, issue cease and desist orders, ask the attorney general to seek injunctive relief in Superior Court, impose fines, revoke or suspend licenses, and order restitution.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease and desist order.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 21 Nay 1 (03/22/2011)